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take appropriate actions pursuant to part 66 unless the State or local agent, within 30 days, takes appropriate action in accordance with the requirements of this part. In either case the penalty will be calculated from the date of the State notice.

Subpart D—EPA Review of State Compliance or Exemption Decisions

§ 67.31 Review by the Administrator.

(a) The Administrator may, on his own initiative, review any determination by a State or its agent that a source owner or operator is or is not in compliance with applicable legal requirements or is or is not entitled to an exemption, to determine whether that determination conforms to the requirements of the Act and part 66 (as modified by § 67.11).

(b) The Administrator shall review any such determination upon receipt of a petition alleging that the State's determination does not conform to the requirements of the Act and part 66 (as modified by § 67.11). Such petition must be filed within 20 days of issuance of the State's decision.

(c) The Administrator shall give notice in writing to the State or local agent, to the owner or operator of the source, and to the petitioner of his intent to review the determination. Such notice shall be given within 90 days of the Administrator's receipt of the State or local agent's determination. Unless otherwise provided, such notice shall not withdraw EPA's delegation of authority to the State or local agent over the particular facility in question.

(d) No such State determination shall become final until the expiration of 90 days after the Administrator's receipt of the notice required by § 67.11(b)(5).

(1) If the Administrator does not issue a notice of intent to review within that period, the State determination shall, upon expiration of such period, constitute final action of the Administrator under section 120 of the Act.

(2) If the Administrator issues a notice of intent to review within that period, the State determination shall not become final until the Administrator takes final action after reviewing the determination.

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(e) Except as otherwise provided, a State determination shall be approved if there was a reasonable basis in law and in fact for making the determination.

§ 67.32 Procedure where no formal State hearing was held.

(a) In reviewing a decision that a source is in compliance with applicable legal requirements or entitled to an exemption for which no hearing conforming to § 67.11(b) (4) or (6) was held, the Administrator shall evaluate the accuracy and adequacy of the documents transmitted to him pursuant to § 67.11(b)(5) and shall invite submission of comments on issues identified by him as relevant to his review.

(b) If the Administrator concludes that no hearing need have been held and that the State determination was correct, he shall notify the State, the source owner or operator, and other participants of his determination, which shall constitute final agency action by EPA under authority of section 120. If the Administrator concludes that the petition of the source owner or operator presented information which, if true, would have altered the owner or operator's liability for a penalty, he shall upon notice to the State or local agent schedule a hearing in accordance with subpart E of part 66. Such notice shall operate as a withdrawal of EPA's delegation of authority to the State or local agent over the facility in question unless the State or local agent schedules a hearing within 15 days of receipt of the notice.

(c) If the Administrator concludes that the State determination did not conform to the requirements of the Act or of part 66 (as modified by § 67.11), he shall by written notice revoke the determination. Such revocation shall operate as a withdrawal of EPA's delegation of authority to the State or local agent over the facility in question. The source owner or operator may then petition for review of the Administrator's decision pursuant to the provisions of § 66.13.

(d) Unless otherwise provided in the Administrator's notice to the State or local agent, any noncompliance penalties owed by the source owner or operator shall be paid to the State or

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local agent. The Administrator shall send a copy of this notice to the source owner or operator.

§ 67.33 Procedure where a formal State hearing was held.

(a) In reviewing a decision that a source is in compliance with applicable legal requirements or is entitled to an exemption for which a hearing conforming to § 67.11(b) (4) or (6) was held, the Administrator may invite comment on issues identified by him as relevant to his review and shall propose or make findings as to the correctness of the determination and the accuracy and adequacy of the material transmitted pursuant to § 67.11(b)(5).

(b) The Administrator shall notify all participants in the State hearing of his findings and conclusions. If the Administrator concludes that the State determination conformed to the requirements of the Act and of part 66 (as modified by § 66.11), the Administrator's determination shall constitute final administrative action by EPA under authority of Section 120. If the Administrator finds that the State determination did not conform to the requirements of the Act and of part 66 (as modified by § 67.11), the findings shall constitute proposed findings and the notice shall invite participants to file exceptions thereto. If the Administrator considers it desirable, he may schedule a time for argument.

(c) Within 60 days of receipt of any briefs or exceptions or after oral argument pursuant to paragraph (b), the Administrator shall affirm, modify, or revoke his proposed findings that the State's determination did not conform to the requirements of the Act or of part 66 (as modified by § 67.11). The decision shall be in writing. Notice and a copy of the decision shall be provided to the source owner or operator and to all other participants in the State hearing. The decision shall constitute a final administrative action by EPA under authority of section 120.

(d) If the Administrator finds that deficiencies in the hearing record prevent him from determining whether the determination of the State or local agent conformed to the requirements of the Act and part 66 (as modified by § 67.11), he shall notify the State or

local agent of his finding and specify what deficiencies exist and schedule a hearing pursuant to subpart E of part 66. Such notice shall operate as a withdrawal of EPA's delegation of authority to the State or local agent over the facility in question unless the State or local agent schedules a supplemental hearing to correct the deficiencies within 15 days of receipt of the notice.

(e) If the Administrator concludes that the source is in violation of applicable legal requirements or is not entitled to an exemption, or both, and unless otherwise ordered in the decision, the source owner or operator shall submit a penalty calculation to the State within 45 days of receipt of the notice of determination.

Subpart E—EPA Review of State Penalty Assessments

§ 67.41 When EPA may review.

(a) The Administrator may on his own initiative or on petition review any initial, interim, or final penalty calculation made or approved by the State or local agent to determine whether it conforms to the requirements of the Act, of part 66, of the Technical Support Document and the Instruction Manual. The Administrator shall notify the State or local agent in writing of his intention to review the calculation within 60 days of receipt by EPA of the calculation or any item considered by the State in making or approving such calculation, whichever occurs later.

(b) No such State determination shall become final until the expiration of 90 days after the Administrator's receipt of the notice required by § 67.11(b)(5).

(1) If the Administrator does not issue a notice of intent to review within that period, the State determination shall, upon expiration of such period, constitute final action of the Administrator under section 120 of the Act.

(2) If the Administrator issues a notice of intent to review within that period, the State determination shall not become final until the Administrator takes final action after reviewing the determination.

(c) Except as otherwise provided, a State determination shall be approved if there was a reasonable basis in law